

Exhibit - Kappa

U.S. Supreme Court Decision [National Mutual Insurance Company of District of Columbia verses Tidewater Transfer Co., 337 U.S. 582 (1949)].

"The argument that congressional powers over the District are not to be exercised outside of its territorial limits also is pressed upon us. But this same contention has long been held by this Court to be untenable.

*In Cohens [337 U.S. 582 , 601] verses Commonwealth of Virginia, 6 Wheat. 264, 429, Chief Justice Marshall, answering the argument that Congress, when legislating for the District, '**was reduced to a mere local legislature, whose laws could possess no obligation out of the ten miles square,**' said 'Congress is not a local legislature, but exercises this particular power, like all its other powers, in its high character, as the legislature of the Union.*

*"The American people thought it a necessary power, and they conferred it for their own benefit. Being so conferred it carries with it all those incidental powers which are necessary to its complete and effectual execution.' In O'Donoghue verses United States, 289 U.S. 516, 539, 746, this Court approved a statement made by Circuit Judge Taft, later Chief Justice of this Court, speaking for himself and Judge (later Mr. Justice) Lurton, that "**The object of the grant of exclusive legislation over the district was, therefore, national in the highest sense, and the city organized under the grant became the city, not of a state, not of a district, but of a nation.**"*

"In the same article which granted the powers of exclusive legislation over its seat of government are conferred all the other great powers which make the nation, including the power to borrow money on the credit of the United States. He would be a strict constructionist, indeed, who should deny to congress the exercise of this latter power in furtherance of that of organizing and maintaining a proper local

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*government at the seat of government. Each is for a national purpose, and the one may be used in aid of the other.' * * *' And, just prior to enactment of the statute now challenged on this ground, the Court of Appeals for the District itself, sitting en banc, and relying on the foregoing authorities, had said that Congress 'possesses full and unlimited jurisdiction to provide for the general welfare' of District citizens 'by any and every act of legislation which it may deem conducive to that end. * * * [337 U.S. 582 , 602] when it legislates for the District, Congress acts as a legislature of national character, exercising complete legislative control as contrasted with the limited power of a state legislature, on the one hand, and as contrasted with the limited sovereignty which Congress exercises within the boundaries of the states, on the other.' Neild verses District of Columbia, 71 App.D.C. 306, 110 F.2d. 246, 250. [National Mutual Insurance Company of District Of Columbia verses Tidewater Transfer Co., 337 U.S. 582 (1949)].*